

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING**

**Call to Order:** By **CHAIRMAN MATT MCCANN**, on February 12, 2001 at 8:00 A.M., in Room J Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Matt McCann, Chairman (D)  
Sen. Tom A. Beck (R)  
Rep. Dave Kasten (R)  
Sen. Jon Tester (D)  
Rep. Steve Vick (R)

**Members Excused:** Sen. Bob Keenan, Vice Chairman (R)

**Members Absent:** None.

**Staff Present:** Jane Hamman, OBPP  
Andrea Hyatt, Committee Secretary  
Brian McCullough, Legislative Branch  
Christi Tyson, OBPP

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 5, 2/9/2001; HB 14,  
2/9/2001

Executive Action:

**The reference book for these projects are found in:  
Governor's Budget, State of Montana, Fiscal Years 2002-  
2003, Long Range Building Program, Volume 2.**

Each member was provided a handout consisting of: 1) Architectural and Engineering's Status Report of Projects Appropriated to DofA for the University of Montana; **EXHIBIT (j1h35a01)** 2) Status Report of University Projects Authorized by the Legislature Appropriated Directly to the University for Fiscal Years 1982-2001 For the University of Montana; **EXHIBIT (j1h35a02)** 3) fact sheet: Combined Chem/Pharm

Building and Science Complex HVAC Renovation Project;  
**EXHIBIT(jlh35a03)** 4) 2 page fact sheet: Back Flow  
Prevention/Mountain Water Interconnect; **EXHIBIT(jlh35a04)** 5)  
booklet: The Montana University System, Long Range Building  
Program, 2002-2003 Biennium, Legislative Presentation;  
**EXHIBIT(jlh35a05)** 6) booklet: The University of Montana, Long  
Range Building Program, 2002-2003 Biennium. **EXHIBIT(jlh35a06)**

**CHAIRMAN MCCANN** opened the hearing on HB 5 and HB 14.

*{Tape : 1; Side : A; Approx. Time Counter : 8}*

**REP. JIM SHOCKLEY, HD 61**, spoke in favor of funding for the  
University Law School.

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**George Dennison, President, University of Montana**, introduced  
other proponents and informational people in the audience:  
**Chancellor Frank Gilmore, Montana Tech; Chancellor Steve Hulbert,**  
**Western Montana College, Dean Rick Gray, Helena College of**  
**Technology; Dean Shirley Howell, School of Fine Arts-Missoula**  
**Campus; Dean Eck, School of Law-Missoula Campus; Dean Jerry**  
**Brown, School of Journalism-Missoula Campus; Vice President Rosie**  
**Keller; Vice Chancellor Susan Briggs; Chairman Ed Rosenberg,**  
**Department of Chemistry; Professor Rick Hauer, Biological Station**  
**at Yellow Bay.**

**President Dennison** briefly discussed the process of how projects  
are chosen; that among the state assisted projects, 65% address  
deferred maintenance of some kind. The only one that does not  
address deferred maintenance is the Helena College of Technology  
request for additional space; it is well maintained and does not  
have any deferred maintenance issues.

*{Tape : 1; Side : A; Approx. Time Counter : 66}*

**Hugh Jesse, Director, Facilities Services**, explained the handouts  
provided earlier. **(EXHIBITS 1-6)**

He reviewed their project: **BACK FLOW PREVENTION/MOUNTAIN WATER**  
**INTERCONNECT. (EXHIBIT 4)**

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**Hugh Jesse** referred to the booklet: The Montana University  
System, Long Range Building Program, 2002-2003 Biennium,  
Legislative Presentation. **(EXHIBIT 5)**

*{Tape : 1; Side : A; Approx. Time Counter : 122}*

**Proponents' Testimony:**

Hugh Jesse reviewed their project **REPLACE PRIMARY POWER DISTRIBUTION SYSTEM, PAGE 1; GOVERNOR'S BUDGET BOOK, PAGE 18.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

Jane Hamman questioned the percentage split on the project. Mr. Jesse responded roughly 30%. CHAIRMAN MCCANN questioned what other funds would be used to complete the project. Susan Briggs, Vice Chancellor, Western Montana College, responded these would be auxiliary funds. CHAIRMAN MCCANN questioned the auxiliary funds source. Vice Chancellor Briggs responded they are from dorms, food service, ... off-campus. CHAIRMAN MCCANN questioned if those would be converted back in to student fees. Vice Chancellor Briggs responded yes; student fee money from renting rooms, room and board, etc. CHAIRMAN MCCANN requested that when future speakers refer to auxiliary funds that they identify those sources.

*{Tape : 1; Side : A; Approx. Time Counter : 176}*

**Proponents' Testimony:**

Hugh Jesse reviewed their project **ROOF REPAIR/REPLACEMENT, PAGE 2; GOVERNOR'S BUDGET BOOK, PAGE 27.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

REP. KASTEN questioned the percentage for consultant services. Mr. Jesse responded engineering is an average of 10% and architecture is slightly less.

*{Tape : 1; Side : A; Approx. Time Counter : 209}*

**Proponents' Testimony:**

Hugh Jesse reviewed their project **HEATING PLANT STEAM DISTRIBUTION-PHASE II, PAGE 5; GOVERNOR'S BUDGET BOOK, PAGE 32.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned the source of the \$236,250.00; if those funds are the profits from those auxiliaries. **Chancellor Gilmore** responded it would be from auxiliaries: from residence hall and the same as what **Vice Chancellor Briggs** mentioned earlier. He explained the need for those fees to pay on the bonds for those buildings and the maintenance of the building. **SEN. TESTER** questioned if there were other student fees, other than the board and room, that goes in to the auxiliary funds. **Chancellor Gilmore** responded not directly in to the auxiliary funds; there are some student fees that are dedicated to bonds, but not in to this account. **SEN. TESTER** questioned the first phase of the project. **Rollo Shade, Plant Director, Montana Tech**, described in detail the phase. **Brian McCullough** questioned if the auxiliary funds are being generated at this stage because of the two phases and resulting in an increase to student fees. **Chancellor Gilmore** responded that it might create the necessity to increase the residence hall rents. **SEN. TESTER** questioned if he could estimate the increase and what is the current residence fees. **Vice Chancellor ?Hench** responded it is approximately \$2400-2500.00 a year for room and board.

*{Tape : 1; Side : A; Approx. Time Counter : 329}*

**Proponents' Testimony:**

**Hugh Jesse** reviewed their project **DEVELOPMENT OF FACILITIES MASTER PLAN, PAGE 6; GOVERNOR'S BUDGET BOOK, PAGE 42.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned if the \$300,000.00 was the total or per site. **Rod Sundsted, Associate Commissioner for Fiscal Affairs, Office of Commissioner of Higher Education**, responded \$150,000.00 State funds; \$150,000.00 the University would raise. It would be for across the system rather than just a campus. **Brian McCullough** questioned if the Master Plan would focus on new building needs or maximizing the use of the existing facilities. **Hugh Jesse** responded it would cover both, but the funding would not cover the entire system. **REP. KASTEN** stated his concern that this would include energy costs. **Mr. Jesse** stated that all master plans include the review of the facilities distribution, production and utilization. **CHAIRMAN MCCANN** commented that **REP. KASTEN** had an interesting document and it will be a part of the conversation at some point in time and would he share that with

**Jane Hamman** so that she could review it and see how it would fit in the Long Range Program or if it does fit in. It is basically a utilization review and it may not be of subject today, but it is of subject to this committee, but he is not sure how to work it in. He requested **Jane Hamman** to review it and give the committee her thoughts.

*{Tape : 1; Side : A; Approx. Time Counter : 447}*

**Hugh Jesse** passed over their project **ANIMAL AND RANGE SCIENCE FACILITY, PAGE 7**, since it was authority only.

*{Tape : 1; Side : A; Approx. Time Counter : 453}*

**Proponents' Testimony:**

**Hugh Jesse** stated the first two projects are blanket authority only and reviewed each one; **PAGE 8: 1) GRANT PROJECTS OVER \$150,000.00, GOVERNOR'S BUDGET BOOK, PAGE 60; 2) ADA AND CODE/DEFERRED MAINTENANCE, GOVERNOR'S BUDGET BOOK, PAGE 62.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned the amount of authority only for the last session. **Mr. Jesse** responded it was \$3.5 million. **SEN. TESTER** questioned further how many more they are asking for this session compared to last session. **Mr. Jesse** responded \$1 million less.

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**REP. KASTEN** questioned if the university picks up part of the utilities and operations after the new structures are built. **Mr. Jesse** responded that in previous projects there were recommendations to split the cost. He described further and gave examples. **SEN. TESTER** asked if this \$1.5 million will not be used for new construction. **Mr. Jesse** responded correct. **REP. VICK** questioned the source of funding; the book indicates various sources; what are the past funding sources. **Mr. Jesse** responded that in the last 6-8 years the funding source ... piece.

*{Tape : 1; Side : B; Approx. Time Counter : 28}*

**SEN. TESTER** questioned how they handle classroom access for the disabled. **Mr. Jesse** responded that they performed a study 5 or 6 years ago that identified the projects and there is an ADA Committee that reviews and recommends the priority. **SEN. TESTER**

questioned if they make accommodations on the floors that are more easily accessible. **Mr. Jesse** responded explaining the steps they take to provide the accessibility; from moving a class to a bottom floor, elevator access and other alternatives. Discussion followed. **CHAIRMAN MCCANN** questioned if they would be increasing student fees to address any concerns they have out there. **Mr. Jesse** responded no.

*{Tape : 1; Side : B; Approx. Time Counter : 120-388}*

**Proponents' Testimony:**

**Hugh Jesse** reviewed their project: **FINE ARTS MUSEUM REMODEL/UPGRADE, PAGE 8; GOVERNOR'S BUDGET BOOK, PAGE 64.** They requested an O&M split of 60% University and 40% State.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned when they plan to complete construction and the length of time this additional space would be adequate. **Mr. Jesse** estimated a completion in 2004 and they would not be back soon in the foreseeable future. **REP. VICK** questioned if the donated art is ever sold. **President Dennison** responded that it is reviewed by a committee and occasionally they do sell items that are not valuable to the state. **SEN. TESTER** questioned what the 60/40 represented. **Mr. Jesse** responded it was the split for the operating cost between the University of 60% and the state 40%. **Jane Hamman** questioned how this size of a building would fit in the area they identified. **Mr. Jesse** responded that the design consultant would suggest the best site; for planning purposes they are asked if it is possible to add on to the existing facility, it is decided after the study where the best site is located. **CHAIRMAN MCCANN** stated that they are requesting to double the size of the original authority and that the O&M would be 40/60 split; he requested that they look at this closely and can they justify the cost to the people of Montana. He stated that this will be considered in executive action and that he wanted the University System and the audience to know of his concerns. **REP. VICK** questioned that when the O&M is split could the state's portion be used and the University's portion be deferred. **Hugh Jesse** responded that there is always that possibility and they would make the commitment to open up their accounts on this to prove they are doing what they said they would do. Discussion followed regarding the existing facility and maintenance costs.

*{Tape : 1; Side : B; Approx. Time Counter : 390}*

**Proponents' Testimony:**

Hugh Jesse reviewed their project: **MULTI-MEDIA CENTER-YELLOW BAY, PAGE 9; GOVERNOR'S BUDGET BOOK, PAGE 68.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** requested background information on Yellow Bay and its connection with the University.

**Informational Testimony:**

**Richard Hauer, Professor, University of Montana,** explained that the function of the biological station has the same missions as the university: education, research, and community service. Yellow Bay is the oldest biological station in the United States; they just celebrated their 100<sup>th</sup> anniversary last year and over the past 20 years they have become a world renown institution in fresh water biology. He described in more detail their students, research, journals and interacting with others in their field of study.

*{Tape : 2; Side : A; Approx. Time Counter : 0-85}*

**Mr. Hauer** continued to respond to committee questions.

*{Tape : 2; Side : A; Approx. Time Counter : 86}*

**Proponents' Testimony:**

Hugh Jesse reviewed their project: **INTERNATIONAL CENTER, PAGE 9; GOVERNOR'S BUDGET BOOK, PAGE 72.** The University System is withdrawing this request.

*{Tape : 2; Side : A; Approx. Time Counter : 94-241}*

**Proponents' Testimony:**

Hugh Jesse reviewed their project for authority only: **LAW BUILDING RENOVATION/EXPANSION, PAGE 9; GOVERNOR'S BUDGET BOOK, PAGE 76.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned the air conditioning plan and energy concerns. **Hugh Jesse** responded. **REP. VICK** questioned the number of students at the Law School. **Ed Eck, Dean of the Law School**, responded that currently they have approximately 250 students. Discussion followed on the number of students incoming and those graduating.

*{Tape : 2; Side : A; Approx. Time Counter : 243-403}*

**Proponents' Testimony:**

**Hugh Jesse** reviewed their project for authority only: **SCHOOL OF JOURNALISM BUILDING, PAGE 10; GOVERNOR'S BUDGET BOOK, PAGE 80.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned if there would be a reduction in square footage overall statewide with the construction of this new building. **Mr. Jesse** responded that the old Journalism School would become available for campus use. **CHAIRMAN MCCANN** questioned the site location. **Mr. Jesse** responded. **SEN. TESTER** questioned why the campus public radio and TV are not included in this project. **Jerry Brown, Dean of the School of Journalism**, responded that they do have a partnership with them but they are not included in this project. Discussion followed.

*{Tape : 2; Side : A; Approx. Time Counter : 404-519}*

**Hugh Jesse** reviewed their bonded portion of their requests.

**Proponents' Testimony:**

**Hugh Jesse** reviewed their project: **RENOVATION OF CHEMISTRY/PHARMACY BUILDING, PAGE 11; GOVERNOR'S BUDGET BOOK, PAGE 188.**

*{Tape : 2; Side : B; Approx. Time Counter : 6-128}*

**Ed Rosenberg, Chair of Chemistry, University of Montana, Missoula**, discussed the project and provided a handout of excerpts from reports from the External Advisory Committee.  
**EXHIBIT** (j1h35a07)

**Opponents' Testimony:** None.



**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned how the statewide priority is set on a project. **Tom O'Connell** explained the process. The committee asked questions regarding deferred maintenance, number of students and use of other buildings. **Mr. Rosenberg** responded.

*{Tape : 2; Side : B; Approx. Time Counter : 129}*

**Proponents' Testimony:**

**Hugh Jesse** reviewed their project: **LIBERAL ARTS-DEFERRED MAINTENANCE, PAGE 12 and REPLACE HVAC SYSTEM IN SCIENCE COMPLEX-PHASE II, PAGE 13; GOVERNOR'S BUDGET BOOK, PAGES 196-199.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:** None.

*{Tape : 2; Side : B; Approx. Time Counter : 189-515}*

**Hugh Jesse** reviewed their added project: **COMBINED CHEM/PHARM BUILDING AND SCIENCE COMPLEX HVAC RENOVATION PROJECT. EXHIBIT (3)** This is in response to the committee's tour of the campus and if there was an alternative solution to the project. **CHAIRMAN MCCANN** questioned what it would involve to demolish this building. **Mr. Jesse** responded. **SEN. TESTER** questioned if there was a potential of raising funds for this new building. **President Dennison** responded that there is always a potential to raise funds. **CHAIRMAN MCCANN** questioned if this new project would eliminate the maintenance issues in the future. **Mr. Jesse** responded. Discussion followed, **Mr. Jesse** and **Jim Whaley, A&E,** responded to questions.

*{Tape : 3; Side : A; Approx. Time Counter : 0-67}*

**Mr. Jesse** continued his response.

*{Tape : 3; Side : A; Approx. Time Counter : 69}*

**Brian McCullough** provided a six page handout of status reports. **EXHIBIT (j1h35a08)**

**Hugh Jesse** reviewed their past projects and gave an update for each one. **CHAIRMAN MCCANN** stated that in case the committee decides to do something innovative in regards to the science complex, not that they are going to, at that point in time they would work with him if they were going to rescind that authority

to make something he wants good to happen on the campus, then they will do so. Other authorities were discussed and O&M percentages. **Mr. Jesse** continued his review. Discussion followed; questions from the committee were answered.

**{Tape : 3; Side : A; Approx. Time Counter : 270-520}**

**Proponents' Testimony:**

**Hugh Jesse** reviewed their added project: **HELENA COLLEGE OF TECHNOLOGY ADDITION, PAGE 15, GOVERNOR'S BUDGET BOOK, PAGE 209.**

**Rick Gray, Dean and CEO, Helena College of Technology**, spoke in favor of funding. He also provided a one page fact sheet.  
**EXHIBIT**(j1h35a09)

**Tim Burton, City Manager of Helena**, spoke in favor of funding and stated that they have maintained the buildings and there is no deferred maintenance at the sites.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned the square footage leased from the Ray Bjork School. **Mr. Gray** responded 9,000 sq. ft. for \$60,000.00 a year and described the facility.

**SEN. BECK** mentioned a parking project with the City of Helena, then discussed Asarco closing down and that HCT's enrollment should increase and that he is in favor of funding the project.

**SEN. KASTEN** questioned the number of nursing students at HCT and the effect of other programs at the university. **Mr. Gray** responded 58 students and nurses and with other programs available they are still not able to meet the demand. Discussion followed; **Mr. Gray** responded to questions from the committee.

**{Tape : 3; Side : B; Approx. Time Counter : 0}**

**Mr. Gray** continued his response.

**{Tape : 3; Side : B; Approx. Time Counter : 57}**

**Hugh Jesse** reviewed their past projects and gave an update for each one on page B-8, B-9, C-22 and C-23. **Mr. Jesse, Patty Russell, Director of Physical Facilities, Western Montana, and Jim Whaley** responded to questions from the committee.

**{Tape : 3; Side : B; Approx. Time Counter : 150}**

**Hugh Jesse** reviewed their: Status Report of University Projects Authorized by the Legislature Appropriated Directly to the University for Fiscal Years 1982 thru 2001. **EXHIBIT (2)** He discussed each project's authority and status; they reverted the authority on some projects. Discussion followed; questions from the committee were answered by **Mr. Jesse**.

**{Tape : 3; Side : B; Approx. Time Counter : 300-452}**

**President Dennison** closed the hearing stating that they are available to answer any questions and that they are willing to report fully on all of the authority they use.

**CHAIRMAN MCCANN** stated that they would be contacted when executive action would be scheduled. Discussion followed.

**CHAIRMAN MCCANN** closed the hearing on the **UNIVERSITY OF MONTANA**.

**{Tape : 3; Side : B; Approx. Time Counter : 453-519}**

**CHAIRMAN MCCANN** stated they would address committee bills.

**Proponents' Testimony:**

**Budget Director Chuck Swysgood, OBPP**, presented a committee to address reversing some of the unintended effects of HB 260 that dealt with the coal trust monies and economic development. He explained the Supreme Court decision, its effect on the TSEP program and SB 220's effect.

**{Tape : 4; Side : A; Approx. Time Counter : 0-}**

**Budget Director Swysgood** continued his discussion.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned if it would impact HB 11 in this session. **Budget Director Swysgood** responded that they are presently working with the Department of Commerce to make this determination. **CHAIRMAN MCCANN** stated that there is a good chance that there is going to be an impact; would it be in the upcoming biennium or past projects approved. **Budget Director Swysgood** responded he believed it would be in the upcoming biennium; they would not effect the past because there are commitments out there. **CHAIRMAN MCCANN** commented that this is what has to happen to correct the problem. Discussion followed.

***{Tape : 4; Side : A; Approx. Time Counter : 124}***

**Brian McCullough** explained that to put it in to the process to become a committee bill, the committee needs to state they will carry the bill.

**Motion: SEN. BECK** moved to adopt this as a committee bill.  
Discussion followed.

**Motion/Vote: SEN. BECK** moved **TO SPONSOR A COMMITTEE BILL TO ADDRESS THE PERCENTAGE OF COAL TAX APPROPRIATED TO THE TSEP PROGRAM CREATED BY THE FAILURE OF HB 260. BE ADOPTED. Motion carried unanimously.**

**REP. VICK** reminded the committee that his committee bill on personal services would not come back to the committee to be reviewed; it is being heard on Wednesday in appropriations. **SEN. TESTER** stated his concern at reviewing this bill before it passes out of this committee and to review the effects of the funding on the projects. Discussion followed.

***{Tape : 4; Side : A; Approx. Time Counter : 184-425}***

**Brian McCullough** provided a status fact sheet and reviewed the list. **EXHIBIT(jlh35a10)** The committee bills were discussed in detail.

The meeting was adjourned.

**ADJOURNMENT**

Adjournment: 12:00 P.M.

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REP. MATT MCCANN, Chairman

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ANDREA HYATT, Secretary

MM/AH

**EXHIBIT** (j1h35aad)